

**AUTHORIZING A REGULATORY AUTHORITY TO ESTABLISH  
REDUCED WATER UTILITY RATES FUNDED BY DONATIONS  
FOR THE BENEFIT OF CERTAIN ELDERLY CUSTOMERS**

**CHAPTER 129**

H.B. No. 1083

**AN ACT**

**relating to authorizing a regulatory authority to establish reduced water utility rates  
funded by donations for the benefit of certain elderly customers.**

*Be it enacted by the Legislature of the State of Texas:*

SECTION 1. Section 13.182, Water Code, is amended by amending Subsection (b) and adding Subsection (b-1) to read as follows:

(b) *Except as provided by Subsection (b-1), rates may* ~~[Rates shall]~~ not be unreasonably preferential, prejudicial, or discriminatory but shall be sufficient, equitable, and consistent in application to each class of consumers.

*(b-1) In establishing a utility's rates, the regulatory authority may authorize the utility to establish reduced rates for a minimal level of service to be provided solely to a class of elderly customers 65 years of age or older to ensure that those customers receive that level of service at more affordable rates. The regulatory authority shall allow a utility to establish a fund to receive donations to recover the costs of providing the reduced rates. A utility may not recover those costs through charges to the utility's other customer classes.*

SECTION 2. Section 13.189, Water Code, is amended by adding Subsection (c) to read as follows:

*(c) For purposes of this section, a reduced rate authorized under Section 13.182(b-1) does not:*

- (1) make or grant an unreasonable preference or advantage to any corporation or person;*
- (2) subject a corporation or person to an unreasonable prejudice or disadvantage; or*
- (3) constitute an unreasonable difference as to rates of service between classes of service.*

SECTION 3. (a) The changes in law made by this Act apply only to proceedings before a regulatory authority regarding water utility rates concerning an application filed on or after January 1, 2018. Proceedings before a regulatory authority regarding water utility rates concerning an application filed before January 1, 2018, are governed by the law in effect when the application was filed, and the former law is continued in effect for that purpose.

(b) The Public Utility Commission of Texas and other regulatory authorities shall adopt rules as necessary to implement the changes in law made by this Act not later than December 31, 2017.

SECTION 4. This Act takes effect September 1, 2017.

Passed by the House on April 20, 2017: Yeas 130, Nays 12, 3 present, not voting;  
passed by the Senate on May 19, 2017: Yeas 29, Nays 2.

Approved May 26, 2017.

Effective September 1, 2017.